
**BYLAWS
OF
BASS LAKE CHRISTIAN RETIREMENT COMMUNITY**

Updated November 5, 2011

These Bylaws govern the affairs of Bass Lake Christian Retirement Community (BLCRC), a nonprofit corporation organized under the Texas Business Corporation Code.

**ARTICLE I
PURPOSES**

The Corporation is organized for purposes including but not limited to the following:

- (a) To provide for the periodic inspection, maintenance, preservation and construction or replacement, as necessary, of all common areas, including streets, of property owned by BLCRC;
- (b) To fix, levy, collect and enforce payment by any lawful means, assessments and/or charges upon Members for the purpose of meeting all expenses required to fulfill the obligations of the Corporation; and
- (c) To promote the health, safety, welfare, common benefit and enjoyment of available facilities within Bass Lake Christian Retirement Community by the public at large and the Members of the Corporation.

**ARTICLE II
DEFINITIONS**

- 2.01. “**BLCRC**” shall refer to Bass Lake Christian Retirement Community, a nonprofit corporation organized under the Texas Business Corporation Code and the present owner of certain tracts of land lying and being situated in Smith County, Texas and being more particularly described in Exhibit A attached hereto and conveyed in deed from William F. Taylor and Reba C. Taylor dated _____, 2009 and recorded under Clerk=s file Number _____ in the Official Public Records of Real Property of Smith County, Texas.
- 2.02. “**Unit**” shall refer to any of the 67 parcels shown in Exhibit B, a blue-line plat of which is a record of the BLCRC and is kept with the remaining corporate records.
- 2.03. “**Certificate of Membership**” shall refer to that numbered certificate issued to each Member, which corresponds to a numbered Unit. In the event that a Certificate of Membership is issued to more than one person, the first-named person on the Certificate shall exercise the right to vote in the event that a disagreement arises between the jointly named Members. The Certificate of Membership shall be considered intangible personal property in a like manner as any share of stock of a corporation. As such, it may be assigned, transferred, encumbered, devised, bequeathed or inherited in accordance with the laws of the State of Texas.
- 2.04. “**Member**” shall refer to the owner, whether one or more persons or entities, of a certificate of membership of BLCRC.
- 2.05. “**Membership**” shall refer to the whole of the Members as an entity.
- 2.06. “**Properties**” shall refer to that certain real property described in Exhibit A and such additions as may hereafter be brought within the jurisdiction of the Corporation.
- 2.07. “**Recreational Vehicle**” shall refer to a vehicle manufactured under the guidelines of the *Recreational Vehicle Industry Association*, and must be at least 24 feet long but no longer than 45 feet long if used as a primary residence.. These must

be manufactured in the 15 years preceding the date that the owner's Membership is obtained.

- 2.08. **"Park Model"** shall refer to a vehicle manufactured under the guidelines of the *Recreational Park Trailer Industry Association*. These must be manufactured in the 15 years preceding the date that the owner's Membership is obtained.
- 2.09. **"Park Home"** shall refer to a manufactured home of no more than 900 sq. ft., containing no more than one bedroom, and no more than one flush toilet. These must be manufactured in the 15 years preceding the date that the owner's Membership is obtained.
- 2.10. **"Apartment"** shall refer to a new structure of no more than 900 sq. ft., containing no more than one bedroom, and no more than one flush toilet.
- 2.11. **"Residence"** shall refer to any dwelling situated upon any Unit, as specifically described in Sections 2.07, 2.08, 2.09 and 2.10 above. A residence may also be a combination of an Apartment structure and a Recreational Vehicle or Park Model or Park Home, but only one flush toilet is permitted in the combination. Any additional Recreational Vehicles belonging to the member may be parked or stored on the Unit. Buildings enclosing a living area shall be no larger than 47ft. by 47ft. without a variance from the Board of Directors. The Board shall make the final decision as to the acceptability of any residence.
- 2.12. **"Bedroom"** shall refer to any enclosed area that may have an adjoining closet and is not a living room, dining room, or bathroom.
- 2.13. **"Screened in Porches/Patios"** are permitted but must remain as such, screened-in only.

ARTICLE III CONDITIONS

BLCRC hereby imposes and impresses upon the "Properties" the following conditions of use.

- 3.01. **Age of Residents.** All permanent residents of BLCRC shall be at least 55 years old.
- 3.02. **Number of Persons.** Each residence shall house no more than 2 persons.
- 3.03. **Use of Units.** The sole purpose for the Units located in the "Properties" is for residential purposes only. No business of any type may be transacted upon any Unit.
- 3.04. **Units.** Each Unit, as numbered in Exhibit B, shall correspond to a numbered Certificate of Membership. Upon acceptance as a Member of BLCRC, each Member shall be issued a numbered Certificate of Membership which corresponds to a numbered Unit. Thereafter, for so long as a Member remains a member of BLCRC, the Member shall have the exclusive use and possession of the Unit which corresponds to his/her/their/its numbered Certificate of Membership. In addition, each Member shall have the nonexclusive use and enjoyment of the remaining Properties owned by BLCRC, save and except the Units shown in Exhibit B, together with all other Members.
- 3.05. **Conduct.** All activities of Members of the Corporation shall be conducted in such a manner as to provide a quality facility for a community of Christian people based on the concepts of "caring and sharing", in concurrence with Ephesians 4:12 which reads "For the perfecting of the saints, for the work of the ministry, and for the edifying of the body of Christ".
- 3.06. **Membership assessment.** Each Member agrees to pay his equitable and proportionate share of the cost and expense of maintenance and upkeep of the common grounds, which will be determined annually at the corporate annual Membership

meeting. Such fees are due and payable on the first of the month for monthly payers and on the first of January for annual payers. Each Member shall also be responsible for and shall pay in a prompt manner all property taxes on improvements, utility charges and other expenses, repairs, maintenance, pest control, tree removal, etc. related to his Unit.

If a Member purchases a second or additional Memberships, that Member shall only be assessed 1/2 (one half) of the annual assessment per such additional Units. For these additional Units, the Member shall not place or construct a Residence. Further, any buildings placed on the additional Units shall not use the septic system. If a Member violates this provision, the annual assessment for each such additional Membership shall be a full assessment. The only exception will be overnight guests living in an RV with hook up to electric, water & septic for a period to not exceed a total of 30 days in any fiscal year.

- 3.07. **Use of Common Areas.** Every Member shall have the right and easement of enjoyment in and to the common areas and for ingress and egress through the common areas and such easement shall be appurtenant to and shall pass with the title to every Unit.
- 3.08. **Water Facilities.** BLCRC shall determine the location and character of all water facilities and drains and provide a uniform plat of sewage and garbage disposal. No Member shall construct outside wells, toilets, cesspools or septic tanks without prior written approval from BLCRC. All underground irrigation water systems must have a back flow valve attached. All faucets delivering well water should have back flow valves attached. The water regulations of TCEQ will be mandated to all members.
- 3.09. **Right of Entry.** BLCRC reserves the right to enter upon any portion of a Unit (not used as a Residence) at any reasonable time for constructing, altering, or maintaining sewers, culverts, pipes or drains and any water, gas, steam, electric or other pipes or conduits, wires or lines, together with usual accessories, but upon exercise of any right of entry upon The Properties, BLCRC agrees to restore The Properties to as good a condition as it found them excepting only the presence of pipes, conduits lines, etc.
- 3.10. **Architectural Control Committee.** BLCRC shall designate and appoint an Architectural Control Committee (ACC) consisting of not less than three (3) persons, who shall be members. Said committee shall serve at the will of BLCRC.
- 3.11. **Approval for Construction.** A member shall not make any change in the contour of the terrain or cut any trees or erect any structure, nor shall any exterior addition to or change or alteration therein be made upon his unit without the prior written consent of BLCRC.
 - a. All permanent structure shall be approved by Board of Directors.
 - b. All other improvements shall be approved by Architectural Control Committee.
 - c., **The Architectural Control Committee shall be responsible for monitoring construction to assure compliance with approved plans and Building Regulations.**
- 3.12. **Time of Completion for Construction.** Any Residence erected or placed on any Unit shall be completed as to external appearance, including finished painting, within (60) days from the date of commencement of construction.
- 3.13. **Restriction on Improvements.** The “request for improvements” is valid for a 6-month period after date of approval. A new request must be submitted if the project has not been initiated within this 6-month period. If a change in the bylaws is enacted that affect the request, prior to beginning the project, the approval is nullified and the request must be resubmitted.

In the event that any plans and specifications are submitted to approval committee/board as provided herein, and such committee/board shall fail, either to approve or reject such plans and specifications for a period of thirty (30) days following such submission, approval by committee shall not be required, and full compliance with this Article shall be deemed to have occurred. Nevertheless, the applicant must contact the committee within thirty (3) days of the application to inquire as to the status of his plans.

Landscaping, beautification may be undertaken without permission from the ACC, however, no trees, hedges or other plants that will obstruct a person's line of sight will be planted without written permission of the ACC and verbal permission of neighbors affected by the changes.

- 3.14. **Right to Lease Out Units.** Members may not lease or rent their rights to use their Membership to anyone at anytime.
- 3.15. **Guests.** Guests who have their own Recreational Vehicle may occupy any Member's Unit during any period in which the Member is present. If the Member of a Unit is not present, guests who require a space to park must obtain permission from the Member, and so notify the BLCRC.
- 3.16. **Pets.** No more than two (2) pets are allowed at any Unit. All pets shall be kept indoors or on a leash at all times. No Member's pet may annoy or disturb neighbors. Each Member shall clean up any litter created by their pets, where ever required. No pets will be allowed in any common area usage building such as laundry, restrooms, eating or meeting facilities. Due to safety issues, the following breeds of dogs are prohibited at all times from all Units and remaining premises of BLRRC: all breeds deemed to be aggressive such as pit bulls, Rottweilers, Doberman Pinschers, etc.
- 3.17. **Livestock.** No animal, livestock or poultry of any kind shall be raised, bred or kept on any Unit, except pets as set forth in 3.16 above. Animals that are kept, bred, or maintained for any commercial purpose are not pets.
- 3.18. **Dangerous Materials.** Members shall not keep or have within their unit any article or thing of a dangerous, inflammable, or explosive character that might substantially increase the danger of fire within their unit or that might be considered hazardous by a responsible insurance company, unless these are in authorized containers, or prior written consent of BLCRC is obtained and proof of adequate insurance protection is provided by the individual Member to BLCRC.
- 3.19. **Residence.** No type of residence shall be allowed except the following: a Recreational Vehicle, Park Model, Park Home, Apartment or combination thereof, as defined in Section 2.11 above. The Board shall make the final decision as to the acceptability of any residence.
- 3.20. **Noxious and/or offensive activity.** No Unit or any part thereof may be used as a dumping ground for rubbish, unused construction materials, construction debris, old tires, moving boxes or other unsightly accumulations, trash or abandoned or unregistered vehicles, and no garbage or other waste shall be kept except in sanitary containers. Members shall not park, place, or cause to be located on any Unit or common area, any dismantled automobile, racing automobile, truck-tractor, motor vehicle containing explosives or liquefied petroleum, or moving van. This restriction shall not prohibit any truck or moving van from being used for the purpose of moving in or out of the Properties provided that such loading or unloading is promptly accomplished and the van removed. No Member shall have more than two registered vehicles on the Membership site excluding recreational vehicles and motorcycles.
- 3.21. **Intoxicating Beverages and Offensive Conduct.** No use of alcohol, tobacco or illegal drugs will be tolerated. All Members are expected to conduct themselves in a Christ-like manner. Members are responsible for the actions and deportment of their guests. No noxious or offensive activities shall be carried on upon any Unit nor shall anything be done thereon which may be or become an annoyance or nuisance to other Members. No Member shall impose their personal preferences on others.
- 3.22. **"Fencing"** Privacy fences are not permitted. Small enclosures, such as a three or four foot chain-link fence in the back yard for pets or garden may be allowed, but all plans for fencing must be submitted to the Architectural Control Committee for approval..
- 3.23. **Yard Sales/Garage Sales.** An annual community yard/garage sale is permitted within the confines of BLCRC among the membership only, not open to the general public.

- 3.24 **Maintenance of Units** To maintain the appearance, value and integrity of Bass Lake Christian Retirement Community, all members shall be responsible for maintaining their units including but not limited to:
1. Maintenance and repair of any buildings and/or recreational vehicles that are located on the member's units.
 2. All lawns and flower beds will be kept neat and well groomed. BLCRC lawn service is available for a fee to be determined by the Board annually and announced at the Annual Meeting. Payment must be made to BLCRC treasurer. This applies to the growing season of March through October. Lawn service will not apply to flower beds.
 3. Members are responsible to make necessary arrangements to have lawns mowed on their unit if they plan to leave BLCRC for two weeks or longer during the growing season. Units will be kept free of trash, clutter or any other eye sores.
 4. Community complaints presented to the Board for any unmaintained conditions on any unit will result in written notification from the Board to the owner of that unit. If the member does not bring the unmaintained conditions into compliance with the recommendations of the Board within 10 days of receiving the written notice, BLCRC will have the maintenance done and the member will be billed for the costs. Failure to pay for the costs will result in a lien being placed on the membership.

ARTICLE IV OFFICES

- 4.01. **Principal Office.** The principal office of BLCRC in the State of Texas shall be located at 14763 CR 424 Unit 217, Lindale, Texas 75771. BLCRC may have such other offices, either in Texas or elsewhere, as the Board of Directors may determine from time to time. The Board of Directors may change the location of any office of BLCRC.

ARTICLE V MEMBERS

- 5.01. **Membership.** Any potential Member must meet with the Board of Directors to be advised of the content of the Bylaws and/or governing regulations, prior to being accepted as a Member with full rights and privileges of membership. Each Member of BLCRC who is in good standing shall have the rights and privileges given to Members under these Bylaws.
- 5.02. **Suspension of Membership Rights and Privileges.** During any period in which a Member shall be in default in the payment of any annual or special assessment levied by BLCRC, the voting rights and right to use of the common areas and recreational facilities of the Member may be suspended by the Board of Directors until the assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for violation of any rules and regulations established by the Board of Directors governing the use of the common properties and facilities. Other remedies of BLCRC are defined in article 10.04 (h).
- 5.03. **Annual Meeting.** An annual meeting of the Members shall be held on the first Saturday in November in each year, at the hour of 10:00 a.m. for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special

meeting of the Members as soon thereafter as conveniently may be done.

5.04. **Order of Meeting.** The order of business at the Annual Meeting shall be as follows:

- (a.) Call to Order;
- (b.) Opening Prayer;
- (c.) Roll Call;
- (d.) Reading of the Notice of the Meeting;
- (e.) Approve the Minutes of the preceding meeting;
- (f.) Report action taken since previous meeting
- (g.) Reports of Officers;
- (h.) New business ;
- (i.) Election of Directors;
- (j.) Closing Prayer; and
- (k.) Adjournment.

5.05. **Special Meetings.** Special meetings of the Members may be called by the President, the Board of Directors, or not less than one-tenth of the Members having voting rights.

5.06. **Place of Meeting.** The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of BLCRC in the State of Texas but if all of the Members shall meet at any time and place, either within or without the State of Texas, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

5.07. **Notice of Meetings.** Written notices stating the place, day and hour of any meeting of Members shall be delivered, either personally or by mail, or by electronic means to each Member entitled to vote at such meeting, not less than ten nor more than fifty days before the date of such meeting, by or at the direction of the President, or Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these by-laws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail and addressed to the Member at his address as it appears on the records of BLCRC, with postage thereon prepaid. Notice by electronic means requires confirmation of receipt.

5.08. **Quorum.** One vote more than one-half (1/2) of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting without further notice.

5.09. **Proxies.** At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of execution, unless otherwise provided in the proxy.

5.10. **Manner of Acting.** A majority of the votes entitled to be cast on a matter to be voted upon by the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof, unless a greater proportion is required by law or by these by-laws.

5.11. **Voting by Mail.** Business may be conducted by mail in such manner as the Board of Directors shall determine, consistent with voting guidelines as described above.

ARTICLE VI

BOARD OF DIRECTORS

- 6.01. **Management of BLCRC.** The direction and management of the affairs of BLCRC shall be invested in a Board of Directors. The board of Directors is authorized to spend or disperse cash funds for services, repairs and maintenance of all properties of BLCRC as deemed necessary and approved by a two-thirds majority vote of the Board of Directors
- 6.02. **Number, Tenure and Qualification of Directors.** The number of Directors of this Corporation shall be six (6). Each Director shall serve for a term of three (3) years, expiring on the Members' annual meeting date or when their successors are duly elected and qualified. The Directors terms shall be staggered. Members shall elect two Directors to fill the vacancy of the Directors terms expiring that year to serve a term of three years. A husband and wife cannot serve simultaneously on the Board of directors. Directors must have a majority of the votes to be elected. In the case of a tie, a run off Election will be required.
- 6.03. **Vacancies.** Any vacancy occurring in the Board of Directors shall be filled by the Board of Directors of BLCRC.
- 6.04. **Annual Meeting of the Board of Directors.** The Board of Directors shall hold an annual meeting, on the first Saturday in November, immediately following the annual Members meeting for the election of officers and the transaction of such other business as may lawfully come before the meeting.
- 6.05. **Regular Meetings.** The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held either within or without the State of Texas and shall be held at BLCRC's principal office in Texas if the resolution does not specify the location of the meeting. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.
- 6.06. **Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the president or any two Directors. A person or persons authorized to call special meetings of the Board of Directors may fix any place within Texas as the place for holding a special meeting which shall be held at BLCRC's principal office in Texas if no location is stated in the notice. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice of the meeting. The secretary shall give notice to the directors as required in the By-Laws.
- 6.07. **Notice.** Written or printed notice of any special meeting of the Board of Directors shall be delivered to each Director not less than seven nor more than thirty days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.
- 6.08. **Quorum.** A majority of the number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting on time without further notice.
- 6.09. **Duties of Directors.** Directors shall exercise ordinary business judgment in managing the affairs of BLCRC. In acting in their official capacity as Directors of this Corporation, Directors shall act in good faith and take actions they reasonably believe to be in the best interests of BLCRC that are not unlawful. In all other instances, the Board of Directors shall not take any action that they reasonably believe would be opposed to BLCRC's best interest or would be unlawful.

The Board of Directors shall:

- (a). Fix the annual assessment against each Unit and give the Member at least 45 days written notice in advance of the payment period which may be paid either annually or monthly commencing at the end of the 45 day period;

- (b). Issue upon request a receipt to any Member for a paid assessment;
 - (c). Cause the common areas to be maintained for the use and benefit of the Members and the public at large; and
 - (d). Monitor water and septic requirements as prescribed by Smith County and TCEQ and contract for the construction of additional facilities as needed.
 - (e). Select a total of three BLCRC members to perform an audit of all BLCRC financial records for the current year. The audit will be completed between thirty and no later than ten days before the annual meeting of BLCRC.
 - (f). The Board of Directors shall prepare an annual budget for the operations of BLCRC. The budget will be presented to the membership at the annual meeting in November and take effect in January of the following year. A simple majority of members present will constitute approval.
- 6.10. ***Manner of Acting.*** The Board of Directors shall try to act by consensus. However, the vote of a majority of Directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the by-laws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors.
- 6.11. ***Removal of Director.*** The Board of Directors may vote to remove a Director at any time, with good cause. Good cause for removal of a Director shall include the unexcused failure to attend three consecutive meetings of the Board of Directors. A meeting to consider the removal of the Director may be called and noticed following the procedures provided in the by-laws. The notice of the meeting shall state that the issue of possible removal of the Director will be on the agenda. The director shall have the right to present evidence at the meeting as to why he or she should not be removed. At the meeting, BLCRC shall consider possible arrangements for resolving the problems that are in the mutual interest of BLCRC and the Director. A Director may be removed by the affirmative vote of 2/3 of the Board of Directors.

ARTICLE VII OFFICERS

- 7.01. ***Officer Positions.*** The officers of BLCRC shall be a president, a vice-president, a secretary, and a treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary.
- 7.02. ***Election and Term of Office.*** The officers of BLCRC shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until his successor is duly elected and qualified. An officer may be elected to succeed himself or herself in the same office, but in no event shall such officer hold the office for more than three consecutive years, except at the discretion of the board.
- 7.03. ***Removal.*** Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors without cause. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.
- 7.04. ***Vacancies.*** A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.
- 7.05. ***President.*** The president shall be the chief executive officer of BLCRC and must be a member of the Board of Directors. The president shall supervise and control all of the business and affairs of BLCRC. The president shall preside at all

meetings of the Board of Directors. The president may execute any mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed. However, the president may not execute instruments on behalf of BLCRC if this power is expressly delegated to another officer or agent of BLCRC by the Board of Directors, the Bylaws, or statute. The president shall perform other duties prescribed by the Board of Directors and all duties normally incident to the office of president.

- 7.06. **Vice President.** When the president is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When a vice president acts in place of the president, the vice president shall have all the powers of and be subject to all the restrictions upon the president. A vice president shall perform other duties as assigned by the president or Board of Directors. The vice president must be a member of the Board of Directors..
- 7.07. **Treasurer.** The treasurer shall:
- (a). Have charge and custody of and be responsible for all funds and securities of BLCRC;
 - (b). Receive and give receipts for moneys due and payable to BLCRC from any source;
 - (c). Deposit all moneys in the name of BLCRC in banks, trust companies, or other depositories as provided in the bylaws or as directed by the Board of Directors;
 - (d). Write checks and disburse funds to discharge obligations of BLCRC. However, funds may not be drawn in excess of \$200 from BLCRC or its accounts without the consent of the president or a vice president;
 - (e). Maintain the financial books and records of BLCRC;
 - (f). Prepare financial reports at least annually;
 - (g). Perform other duties as assigned by the president or by the Board of Directors; and
 - (i). Perform all the duties incident to the office of treasurer.

The treasurer must be a Member, but need not be on the Board of Directors.

- 7.08. **Secretary.** The secretary shall:
- (a). Be qualified to act as notary, expenses for such qualifications be borne by BLCRC;
 - (b). Give all notices as provided in the bylaws or as required by law;
 - (c). Take minutes of the meetings of the Members and of the Board of Directors and keep the minutes as part of the corporate books;
 - (d). Maintain custody of the corporate records and of the seal of Corporation;
 - (e). Affix the seal of BLCRC to all documents as authorized;
 - (f). Keep a register of the mailing address of each Director, Officer, and Employee of BLCRC;
 - (g). Perform duties as assigned by the President or by the Board of Directors; and
 - (h). Perform all duties incident to the office of secretary.

The secretary must be a Member, but need not be on the Board of Directors.

ARTICLE VIII EMPLOYEES

- 8.01. **Employees.** The Board of Directors may engage the services of such employees, and at such salaries, as may from time to time be deemed necessary or advisable to carry out the objects and purposes of BLCRC. Further, the Board of Directors may appoint such agents and representatives of the Corporation with such powers and to perform such acts or duties on behalf of BLCRC as the Board of Directors may see fit, so far as may be consistent with these By-Laws to the

extent authorized by law.

ARTICLE IX COMMITTEES

- 9.01. ***Establishment of Committees.*** The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include one or more Directors and may include persons who are not Directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the president its power to appoint and remove members of a committee that has not been otherwise delegated. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual Director, of any responsibility imposed by the bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:
- (a). Amend the Articles of Incorporation;
 - (b). Elect, appoint, or remove a member of a committee or a director or officer of BLCRC.
 - (c). Take any action outside the scope of authority delegated to it by the Board of Directors.
- 9.02. ***Term of Office.*** Each member of a committee shall continue to serve on the committee until the next annual meeting of the directors of BLCRC and until a successor is appointed. However, the term of a committee member may terminate earlier if the committee is terminated or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated member's term.
- 9.03. ***Chair and Vice-Chair.*** A Director must be the chair person of each committee. The chair shall be appointed by the president of BLCRC. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, he or she shall appoint a member of the committee to perform the duties of the chair. If the chair refuses to act the board of directors shall appoint a member of the committee to perform the duties of the chair.

ARTICLE X TRANSACTIONS OF BLCRC

- 10.01. ***Contracts.*** The Board of Directors may authorize any officer or agent of BLCRC to enter into a contract or execute and deliver any instrument in the name of and on behalf of BLCRC. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.
- 10.02. ***Deposits.*** All funds of BLCRC shall be deposited to the credit of BLCRC in banks, trust companies, or other depositories that the Board of Directors selects.
- 10.03. ***Gifts.*** The Board of Directors may accept on behalf of BLCRC any contribution, gift, bequest, or devise for the general purposes or for any special purpose of BLCRC.
- 10.04. ***Assessments.***
- (a). ***Creation of lien and personal obligation of assessments.*** Each Member is deemed to covenant and agrees to pay to BLCRC: (1) annual assessments or charges, and (2) special assessments for capital improvement. The annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Unit and shall be a continuing lien upon the property against which each assessment is made. Each assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of the Certificate of Membership relating to such Unit if such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

- (b). **Purpose of assessment.** The assessment levied by the association shall be used exclusively for the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common areas situated upon the properties.
- (c). **Annual assessments.** The Board of Directors shall fix the initial annual assessment amount for each Unit and may not thereafter increase same without the approval of a majority of the then Members of BLCRC at a meeting specially called for that purpose, by a written notice, of not less than 10 or more than 45 days notice.
- (d). **Special Assessments.** Special assessments for capital improvements may be levied by the Board of Directors within any calendar year, until the cost of improvements have been met, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common areas, including the necessary fixtures and personal property related thereto, provided that the assessment shall have the majority of the then Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 10 nor more than 50 days prior to the meeting with the purpose of the meeting set forth therein.
- (e). **Septic Assessments.** If expansion of the septic facilities is required by TCEQ, a general assessment may be charged each Unit containing a flush toilet.
- (f). **Uniform Rate.** Both annual and special assessments must be fixed at a uniform rate for all Units, except for any deviations from this rate contracted before adoption of these bylaws.
- (g). **Date of Commencement of Assessments: Due dates.** The annual assessment provided for herein shall commence as to all Units on the first day of the month following the conveyance of the common properties. The Board of Directors shall fix the due date of special assessments.
- (h). **Effect of nonpayment of assessments: Remedies of BLCRC.** If the assessments are not paid on the date when due, then the assessment shall become delinquent and shall, together with interest thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the property. Failure to pay assessments after two (2) or more years may result in forfeiture of both the Unit and improvements thereon by BLCRC.
- (i). **Subordination of the lien to mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage now or hereafter placed upon the properties subject to the assessment; provided, however, that the subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Any sale or transfer shall not relieve the property from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessment.

10.05. **Potential Conflicts of Interest.** BLCRC shall not make any loan to the Director or officer of BLCRC. A Director, officer, or committee Member of BLCRC may lend money to and otherwise transact business with BLCRC except as otherwise provided by the Bylaws, Articles of Incorporation, and all applicable laws. Such a person transacting business with BLCRC has the same rights and obligations relating to those matters as other persons transacting business with BLCRC. BLCRC shall not borrow money from or otherwise transact business with a Director, officer, or committee member of BLCRC unless the transaction is described fully in a legally binding instrument and is in the best interests of BLCRC. BLCRC shall not borrow money from or otherwise transact business with a Director, officer, or committee member of BLCRC without full disclosure of all relevant facts and without the approval of the Board of Directors, not including the vote of any person having a personal interest in the transaction.

10.06. **Prohibited Acts.** As long as BLCRC is in existence, no Director, officer, or committee member of BLCRC shall:

- (a). Do any act in violation of the bylaws or a binding obligation of BLCRC;
- (b). Do any act with the intention of harming BLCRC or any of its operations;
- (c). Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of BLCRC;

- (d). Receive an improper personal benefit from the operation of BLCRC;
- (e). Use the assets of this Corporation, directly or indirectly, for any purpose other than carrying on the business of this Corporation;
- (f). Wrongfully transfer or dispose of Corporation property, including intangible property such as good will;
- (g). Use the name of BLCRC (or any substantially similar name) or any trademark or trade name adopted by BLCRC in the ordinary course of BLCRC's business; or
- (h). Disclose any of BLCRC business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE XI BOOKS AND RECORDS

11.01. **Required Books and Records.** BLCRC shall keep correct and complete books and records of account. BLCRC's books and records shall include:

- (a). A file-endorsed copy of all documents filed with the Texas Secretary of State relating to BLCRC, including, but not limited to, the Articles of Incorporation, and any Articles of Amendment, Restated Articles, Articles of Merger, Articles of Consolidation, and Statement of Change of Registered Office or Registered Agent;
- (b). A copy of the bylaws, and any amended versions or amendments to the Bylaws;
- (c). Minutes of the proceedings of the Board of Directors, and committees having any of the authority of the Board of Directors;
- (d). A list of the names and addresses of the Directors, officers, and any committee members of BLCRC;
- (e). A financial statement showing the assets, and net worth of the Corporation at the end of the three most recent fiscal years;
- (f). A financial statement showing the income and expenses of BLCRC for the three most recent fiscal years;
- (g). All rulings, letters, and other documents relating to BLCRC's federal, state, and local tax status; and
- (h). BLCRC's federal, state, and local information or income tax returns for each of BLCRC's three most recent tax years.

11.02. **Inspection and Copying.** Any Director, officer, or committee member or Member of BLCRC may inspect and receive copies of all books and records of BLCRC required to be kept by the Bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in BLCRC and if the person submits a request in writing. Any person entitled to inspect and copy BLCRC's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect BLCRC's books and records may do so at a reasonable time no later than five working days after BLCRC's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying BLCRC's books and records by directors. The fees may cover the cost of materials and labor. BLCRC shall provide requested copies of books and records no later than five (5) working days after BLCRC's receipt of a proper written request.

ARTICLE XII FISCAL YEAR

12.01. **Fiscal Year.** The fiscal year of BLCRC shall begin on the first day of January and end on the last day in December in each year.

**ARTICLE XIII
INDEMNIFICATION**

13.01. When Indemnification is Required, Permitted or Prohibited.

- (a). BLCRC shall indemnify a Director, officer, committee member, employee, or agent of BLCRC who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in BLCRC. For the purposes of this article, an agent includes one who is or was serving at the request of BLCRC as a Director or officer, committee member or agent of BLCRC. However, BLCRC shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in BLCRC's best interest. In case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. BLCRC shall not indemnify a person who is found liable to BLCRC or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a Court of competent jurisdiction and all appeals have been exhausted.
- (b). The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of *nolo contendere* or its equivalent does not necessarily preclude indemnification by BLCRC.
- (c). BLCRC shall pay or reimburse expenses incurred by a Director, officer, committee member, employee, or agent of BLCRC in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting BLCRC when the person is not named defendant or respondent in the proceeding.
- (d). In addition to the situations otherwise described in this paragraph, BLCRC may indemnify a Director, officer, committee member, employee, or agent of BLCRC to the extent permitted by law. However, BLCRC shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 13.01.(a), above.
- (e). Before the final disposition of a proceeding, BLCRC may pay indemnification expenses permitted by the Bylaws and authorized by BLCRC. However, BLCRC shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by BLCRC; or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.
- (f). If BLCRC may indemnify a person under the Bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of BLCRC, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

13.02. Procedures Relating to Indemnification Payments.

- (a). Before BLCRC may pay any indemnification expenses (including attorney's fees), BLCRC shall specifically determine that indemnification is permissible, authorize indemnifications, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 13.02(c) below. BLCRC may make these determinations and decisions by any one of the following procedures.
 - (1). Majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding.
 - (2). If such a quorum cannot be obtained by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting of at least two or more Directors who at the time of the vote are not named defendants or respondents in the proceedings.
- (b). BLCRC shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. A provision contained in the Articles of Incorporation, the Bylaws, or a Resolution of Members of the Board of Directors that

requires the indemnification permitted by paragraph 13.01 above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

- (c). BLCRC shall pay indemnification expenses before final disposition of a proceeding only after BLCRC determined that the facts then known would not preclude indemnification and BLCRC receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 13.01(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by BLCRC if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

ARTICLE XIV NOTICES

- 14.01. **Notice by Mail or Electronic Transmission.** Any notice required or permitted by the Bylaws to be given to or from a Director, officer, or member of a committee of BLCRC may be given by mail or electronic transmission. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of BLCRC, with postage prepaid. If given by electronic transmission, a notice shall be deemed to be delivered when accepted by recipient at his or her electronic address as it appears on the records of BLCRC. A person may change his or her address as it appears on the records by giving written or electronic notice to the secretary of BLCRC.
- 14.02. **Signed Waiver of Notice.** Whenever any notice is required to be given under the provisions of the Articles of Incorporation or the Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.
- 14.03. **Waiver of Notice by Attendance.** The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE XV SPECIAL PROCEDURES CONCERNING MEETINGS

- 15.01. **Meeting by Telephone.** The Board of Directors and any committee of BLCRC may hold a meeting by telephone conference-call procedures.
- 15.02. **Decision Without Meeting.** Any decision required or permitted to be made at a meeting of the Board of Directors, or any committee of BLCRC may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all of the persons entitled to vote on the matter. The original consents shall be placed in BLCRC minute book and kept with BLCRC's records.

ARTICLE XVI AMENDMENTS TO BYLAWS

16.01. Changes or additions to the bylaws or amendments may originate within the general membership or within the Board of Directors. Changes origination from the general membership will be presented in writing to the Board of Directors. Changes or additions to the bylaws or amendments will only take place at the Annual Meeting. The membership will be notified of any proposed changes or additions to the bylaws or amendments 30 (thirty) days prior to the Annual Meeting. The notification will include the existing text and changes or additions being proposed. Changes or additions to the bylaws or amendments will become effective after an affirmative vote of a simple majority of the members present at the Annual Meeting.

**ARTICLE XVII
MISCELLANEOUS PROVISIONS**

- 17.01. **Legal Authorities Governing Construction of Bylaws.** The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.
- 17.02. **Legal Construction.** If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.
- 17.03. **Headings.** The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.
- 17.04. **Gender.** Whenever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.
- 17.05. **Parties Bound.** The Bylaws shall be binding upon and inure to the benefit of the Directors, officers, committee members, employees, and agents of BLCRC and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

ADOPTED BY THE BOARD OF DIRECTORS ON THE 16th DAY OF February , 2010, TO WHICH WITNESS MY HAND AND OFFICIAL SIGNATURE.

Secretary - Wanda Massey

(Updated November 5, 2011)
